

Safety & Environmental Enforcement, Interior

§ 250.122

having wireline operations conducted) are noncombustible; and

(ii) You have precluded the entry of formation hydrocarbons into the wellbore by either mechanical means or a positive overbalance toward the formation.

§ 250.114 How must I install and operate electrical equipment?

The requirements in this section apply to all electrical equipment on all platforms, artificial islands, fixed structures, and their facilities.

(a) You must classify all areas according to API RP 500, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities Classified as Class I, Division 1 and Division 2, or API RP 505, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities Classified as Class I, Zone 0, Zone 1, and Zone 2 (as incorporated by reference in § 250.198).

(b) Employees who maintain your electrical systems must have expertise in area classification and the performance, operation and hazards of electrical equipment.

(c) You must install all electrical systems according to API RP 14F, Recommended Practice for Design and Installation of Electrical Systems for Fixed and Floating Offshore Petroleum Facilities for Unclassified and Class I, Division 1, and Division 2 Locations (as incorporated by reference in § 250.198), or API RP 14FZ, Recommended Practice for Design and Installation of Electrical Systems for Fixed and Floating Offshore Petroleum Facilities for Unclassified and Class I, Zone 0, Zone 1, and Zone 2 Locations (as incorporated by reference in § 250.198).

(d) On each engine that has an electric ignition system, you must use an ignition system designed and maintained to reduce the release of electrical energy.

§§ 250.115–250.117 [Reserved]

§ 250.118 Will BSEE approve gas injection?

The Regional Supervisor may authorize you to inject gas on the OCS, on and off-lease, to promote conservation

of natural resources and to prevent waste.

(a) To receive BSEE approval for injection, you must:

(1) Show that the injection will not result in undue interference with operations under existing leases; and

(2) Submit a written application to the Regional Supervisor for injection of gas.

(b) The Regional Supervisor will approve gas injection applications that:

(1) Enhance recovery;

(2) Prevent flaring of casinghead gas; or

(3) Implement other conservation measures approved by the Regional Supervisor.

§ 250.119 [Reserved]

§ 250.120 How does injecting, storing, or treating gas affect my royalty payments?

(a) If you produce gas from an OCS lease and inject it into a reservoir on the lease or unit for the purposes cited in § 250.118(b), you are not required to pay royalties until you remove or sell the gas from the reservoir.

(b) If you produce gas from an OCS lease and store it according to 30 CFR 550.119, you must pay royalty before injecting it into the storage reservoir.

(c) If you produce gas from an OCS lease and treat it at an off-lease or off-unit location, you must pay royalties when the gas is first produced.

§ 250.121 What happens when the reservoir contains both original gas in place and injected gas?

If the reservoir contains both original gas in place and injected gas, when you produce gas from the reservoir you must use a BSEE-approved formula to determine the amounts of injected or stored gas and gas original to the reservoir.

§ 250.122 What effect does subsurface storage have on the lease term?

If you use a lease area for subsurface storage of gas, it does not affect the continuance or expiration of the lease.